

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: January 25, 2011
Request for Amendment to Initial Resolution

Prepared by: *Samantha Russell*

Applicant: TAMCO and/or its Affiliates	Amount Requested: \$35,000,000
Project	Application No.: 00809
Location: Rancho Cucamonga	Initial Resolution No.: 08-03
(San Bernardino County)	Prior Action: IR Approved 02/27/08

Summary. TAMCO and/or its Affiliates (the “Company”) requests an amendment to Initial Resolution 08-03 to increase the dollar amount to an amount not to exceed \$35,000,000 to reflect project cost increases. The Initial Resolution was originally approved on February 27, 2008 for an amount not to exceed \$30,000,000.

Borrower. The Company is a steel mini-mill that recycles ferrous scrap metal into concrete reinforcing bars (rebar) used in the construction of buildings, freeways, bridges, parking garages and other concrete structures throughout the western United States. TAMCO is a wholly-owned subsidiary of Gerdau Ameristeel, which is in turn a wholly owned subsidiary of Gerdau, S.A. which is a publicly traded company on the New York Stock Exchange under the symbol GGB.

Legal Questionnaire. The Staff has reviewed the Company’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

Project Description. The Company intends to construct and equip a new Bag House Facility. The project is structured to capture the dust emissions from the scrap metal melting process. The dust will be filtered to capture recyclable iron, zinc, lead and cadmium before being shipped to a hazardous waste facility. The project description has not changed since the original IR approval. The Company is requesting an amendment to the IR due to increased project costs.

Volume Cap Allocation. The Company anticipates applying to the Authority for volume cap allocation during the third quarter of 2011.

Financing Details. The Company anticipates the issuance of negotiated tax exempt bonds.

Financing Team.

Underwriter: Bank of America Merrill Lynch
Bond Counsel: Orrick, Herrington & Sutcliffe
Issuer’s Counsel: Office of the Attorney General

Staff Recommendation. Staff recommends approval of Initial Resolution No. 08-03 for TAMCO and/or its Affiliates for an amount not to exceed \$35,000,000.

Note: An Initial Resolution approval is not a commitment that the Board will approve a Final Resolution and bond financing of the proposed Project.

**AMENDMENT OF
RESOLUTION OF OFFICIAL INTENT TO ISSUE BONDS TO
FINANCE SOLID WASTE DISPOSAL FACILITIES FOR
TAMCO AND/OR ITS AFFILIATES**

January 25, 2011

WHEREAS, the California Pollution Control Financing Authority (“Authority”), a public instrumentality, is authorized and empowered by the provisions of the California Pollution Control Financing Authority Act (“Act”) to issue bonds for the purpose of defraying the cost of facilities for the disposal of solid and liquid waste products, including resource recovery and energy conversion facilities; and

WHEREAS, at the request of TAMCO, a California corporation, and/or its Affiliates (the “Company”) the Authority adopted its Initial Resolution No. 08-03 on February 27, 2008 (the “Initial Resolution”) in the amount of not to exceed \$30,000,000 to assist in financing the acquisition, construction and rehabilitation of solid waste disposal facilities and equipment described as the “Project” in the Initial Resolution; and

WHEREAS, the Company has submitted an amendment to its application to the Authority and has requested the Authority to amend the Initial Resolution in order to increase its dollar amount to reflect Project cost increases;

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority as follows:

Section 1. The Authority finds and determines that the foregoing recitals are true and correct. For purposes of this Resolution, an “Affiliate” of the Company means any person or entity which controls, is controlled by, or is under common control with, the Company, as shown by the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through majority equity ownership, contract or otherwise. An Affiliate shall also be a “participating party” as defined in the Act.

Section 2. The Authority declares its official intent to issue, at one time or from time to time, an aggregate of up to \$35,000,000 principal amount of bonds of the Authority for the Project, including for the purpose of reimbursing to the Company costs incurred for the Project prior to the issuance of the bonds. All references in the Initial Resolution to the dollar amount thereof shall be changed from “30,000,000” to “35,000,000.”

Section 3. Section 7 of the Initial Resolution is hereby modified to provide that the Initial Resolution shall cease to be effective on January 25, 2014 unless the Authority specifically adopts a further resolution extending the effective date of the Initial Resolution.

Section 4. Exhibit A to the Initial Resolution is replaced by the attached Exhibit A.

Section 5. Except as set forth in Sections 2, 3 and 4, all of the provisions of the Initial Resolution shall remain in full force and effect and are hereby ratified and confirmed. This Amendment shall take effect upon its adoption.

EXHIBIT A

NUMBER: 08-03
LOCATION: 12459-B Arrow Route, Rancho Cucamonga, CA 91739
TYPE: Pollution Control and Solid Waste Disposal
AMOUNT: Up to \$35,000,000